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TO RODMAN/LORD FOR DR KISSINGER '73 FEB -9 6-37

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ON-FILE NSC RELEASE INSTRUCTIONS APPLY

TOHAK 34

FEBRUARY 9, 1973

MEMORANDUM FOR DR. KISSINGER

FROM : SITUATION ROOM

SUBJECT : ADDITIONAL INFORMATION ITEMS

State and  
NSA Reviews  
Completed

HANOI GAINING ON THE DIPLOMATIC FRONT : A MOVE TO ESTABLISH DIPLOMATIC RELATIONS WITH NORTH VIETNAM IS GATHERING MOMENTUM. CANADA'S RECOGNITION OF HANOI ON FEBRUARY 7, AS WELL AS AUSTRALIA'S ANNOUNCEMENT THAT IT HAS SIMILAR PLANS, IS LIKELY TO BE FOLLOWED BY OTHER COUNTRIES, PARTICULARLY THOSE IN WESTERN EUROPE. ITALY, THE NETHERLANDS, AND FRANCE ARE ALL SERIOUSLY CONSIDERING RECOGNITION. A BRITISH FOREIGN OFFICE OFFICIAL SAID RECENTLY THAT LONDON SAW NO NEED TO RECOGNIZE HANOI IMMEDIATELY, BUT ACKNOWLEDGED THAT A "WISH" TO DO SO BY OTHER MEMBERS OF THE EUROPEAN COMMUNITY COULD INFLUENCE BRITAIN'S OWN ATTITUDE.

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JAPAN, UNSURE OF HOW HANOI WOULD RESPOND, HAS NO IMMEDIATE PLANS FOR RECOGNITION OF NORTH VIETNAM.

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ALGERIAN NATURAL GAS DEAL : DISCUSSIONS BETWEEN HENRY KEARNS AND THE PRESIDENT OF SONATRACH -- THE ALGERIAN STATE-OWNED OIL COMPANY -- HAVE BEEN SUSPENDED WITHOUT AGREEMENT ON GUARANTEES FOR A \$350 MILLION LOAN RELATING TO THE EL PASO NATURAL GAS PROJECT. THE BASIC POINTS OF DIFFERENCE CENTER ON THE EXPORT-IMPORT BANK'S REQUIREMENT FOR THE ASSIGNMENT OF PROCEEDS TO EX-IM IN THE EVENT OF A SONATRACH DEFAULT, PLUS AN ALGERIAN GOVERNMENT GUARANTEE TO ASSUME FINANCIAL RESPONSIBILITY FOR REPAYMENT IN THE EVENT

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THAT THE GAS FLOW IS SOMEHOW RESTRICTED. MR. REARNS FEELS THAT HE MUST HAVE BOTH OF THESE GUARANTEES IN SOME FORM WHILE THE ALGERIANS CONTINUE TO INSIST THAT THEY WILL ACCEPT ONE OR THE OTHER BUT NOT BOTH. OTHER LESS IMPORTANT ISSUES HAVE BEEN SETTLED. PRESIDENT BOUMEDIENNE IS REPORTED TO BE UPSET OVER THE FATE OF THE PROJECT AND MAY MAKE A PUBLIC ATTACK ON THE U.S. IT HAS BEEN MADE CLEAR ON OUR SIDE THAT THE DOOR IS STILL OPEN TO SETTLEMENT.

SITUATION ON CYPRUS: SINCE NO OTHER CANDIDATE CHALLENGED HIM, MAKARIOS WAS PROCLAIMED AS REELECTED TO ANOTHER FIVE-YEAR TERM AS PRESIDENT YESTERDAY. DESPITE RECENTLY MOUNTING TENSIONS, A LARGE PRO-MAKARIOS RALLY WAS MANAGED WITHOUT INCIDENT, THOUGH UNDER HEAVY SECURITY.

SECURITY FORCES REMAIN ON ALERT AS THE ISLAND'S ELECTORAL PROCESS CONTINUES. TURK CYPRIOTS PLAN A LARGE RALLY THIS WEEKEND IN PREPARATION FOR THEIR OWN ELECTIONS NEXT WEEK -- THEY MUST CHOOSE A NEW CYPRIOT VICE PRESIDENT, THE SLOT CONSTITUTIONALLY GIVEN TO A TURK CYPRIOT. TALKS BETWEEN THE TWO COMMUNITIES ARE SCHEDULED TO RESUME THEREAFTER.

URUGUAYAN ARMY COMMANDER RESIGNS: THE COMMANDER-IN-CHIEF OF THE URUGUAYAN ARMY, GENERAL MARTINEZ, RESIGNED WEDNESDAY AFTERNOON AFTER A HEATED MEETING WITH THE NEW MINISTER OF DEFENSE. MARTINEZ AND THE AIR FORCE COMMANDER-IN-CHIEF ISSUED A COMMUNIQUE IN WHICH THEY STRONGLY DENOUNCED THE ATTACK MADE LAST WEEK AGAINST THE ARMED FORCES BY A SENATOR OF THE GOVERNING PARTY. THE COMMUNIQUE STATED THAT THE ARMED FORCES WOULD NOT PERMIT ANY FURTHER SUCH STATEMENTS. THE NEW DEFENSE MINISTER, RETIRED GENERAL FRANCESE IS REPORTED TO HAVE MADE IT CLEAR THAT FROM NOW ON HE WOULD HANDLE ALL DEALINGS WITH POLITICIANS AND THE ARMED FORCES WOULD NO LONGER BE INVOLVED. FRANCESE IS KNOWN FOR HIS

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CONSTITUTIONALIST VIEWS AND HIS APPOINTMENT BY PRESIDENT BORDA-BERRY IS AN INDICATION THAT THE PRESIDENT HAS DECIDED TO TAKE A STRONG STAND AGAINST THE MILITARY CHALLENGE TO CIVILIAN AUTHORITY. (JORDEN)

SITUATION IN DOMINICAN REPUBLIC: AFTER A VISIT WEDNESDAY TO THE AREA OF ARMY OPERATIONS AGAINST A SMALL GROUP OF INSURGENTS, PRESIDENT BALAGUER ISSUED A STRONG DECLARATION OF HIS INTENTION TO MAINTAIN PUBLIC ORDER IN THE FACE OF THE SUBVERSIVE THREAT.

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(JORDEN)

PANAMANIAN GOVERNMENT SETS MODERATE POLICY: AN OFFICIAL GOVERNMENT RADIO STATION IN PANAMA HAS CALLED UPON THE INFORMATION MEDIA TO TONE DOWN CRITICISM OF THE U.S. IT ADVISES THAT UNTIL AFTER THE UN SECURITY COUNCIL, PANAMA SHOULD CULTIVATE THE IMPRESSION OF BEING "FRUDENT, CIRCUMSPECT, AND SERENE."

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TORRIJOS OBVIOUSLY WANTS TO PROMOTE THE

IMAGE OF A MATURE AND RESPONSIBLE PANAMA AMONG THE FOREIGN REPRESENTATIVES. (JORDEN)

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